

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of SAN DIEGO GAS &
ELECTRIC COMPANY (U902M) for
Approval of its Energy Storage Procurement
Framework and Program As Required by
Decision 13-10-040.

A.14-02-006
(Filed February 28, 2014)

And Related Matters

Application 14-02-007
Application 14-02-009

**OPENING COMMENTS OF
THE OFFICE OF RATEPAYER ADVOCATS
ON PROPOSED DECISION**

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I. INTRODUCTION

Pursuant to Rule 14.3 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure ("Rules"), the Office of Ratepayer Advocates ("ORA") hereby submits these comments on the Commission's *Proposed Decision Approving San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southern California Edison's Storage Procurement Framework and Program Applications for the 2014 Biennial Procurement Period* ("Proposed Decision"), issued on September 2, 2014. ORA generally supports the Proposed Decision, but urges the Commission to adopt the changes provided herein. Specifically, ORA recommends that the Commission modify the Proposed Decision to:

- Clarify that counting biogas toward energy storage is limited solely to the energy storage component; and
- Standardize the pre-bidding interconnection requirements.

II. BACKGROUND

In October, 2013, the Commission issued Decision (“D.”) 13-10-040 adopting an energy storage procurement framework and design program (“Energy Storage Decision”). The Energy Storage Decision established a 1,325 Megawatt (“MW”)¹ procurement target and instructed Pacific Gas and Electric Company (“PG&E”), San Diego Gas & Electric Company (“SDG&E”), and Southern California Edison Company (“SCE”)(collectively, “IOUs”) to file procurement applications by March 1, 2014 that include proposals for the IOUs’ first storage procurement periods.²

In February, 2014, the IOUs filed their energy storage procurement applications (“Storage Applications”).³ The Commission consolidated the Storage Applications and provided parties an extension of time to protest/respond and reply.⁴ In April, 2014 ORA protested the IOUs’ Storage Applications and the IOUs submitted their replies.

In May, 2014, the Commission held a prehearing conference (“PHC”) to address parties’ protests/replies and take comments on the scope of the proceeding. Soon after, the Commission issued its Scoping Memo and convened a workshop. The Commission also provided parties the opportunity to file responses to fifteen questions regarding issues raised in the PHC that needed further clarification.⁵ ORA filed its opening response on June 12, 2014, and its replies on June 19, 2014. In September, the Commission issued its Propose Decision, which is the subject of these comments.

¹ D.13-10-040, Conclusion of Law (“CoL”) 41, p. 76.

² D.13-10-040, Ordering Paragraph (“OP”) 3, p. 77.

³ SDG&E Storage Application (A.14-02-006); PG&E Storage Application (A.14-02-007); SCE Storage Application (A.14-02-009).

⁴ *See*, Administrative Law Judge’s Ruling Consolidating Proceeding, Authorizing Extension of Time to File Comments on Applications, and Providing Notice of Prehearing Conference (issued 03/26/14); in A.14-02-006.

⁵ Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge (“Scoping Memo”), Attachment A (issued 05/27/14).

III. DISCUSSION

A. The Commission Should Modify the Proposed Decision to Clarify that Counting Biogas Toward Energy Storage is Limited Solely to the Energy Storage Component.

ORA supports the Proposed Decision's conclusion not to include V1G (one-way managed flow of electricity from the grid to electric vehicles) into the current energy storage definition.⁶ ORA agrees that the Commission already addressed this issue in D.13-10-040⁷ and, thus, reconsideration of V1G in these Storage Applications is inappropriate at this time.

Further, if the Commission concludes that the IOUs may incorporate certain biogas projects into their portfolios, the Commission should explicitly state that only the qualifying "energy storage component" of the biogas project will count towards the energy storage procurement target. The Proposed Decision's Conclusion of Law 2⁸ appears to capture this important distinction; however, the Commission should clarify its Finding of Facts and Ordering Paragraphs to avoid confusion and avoid any possible misinterpretation of intent. Therefore, ORA recommends that the Commission amend the Proposed Decision to state:

Finding of Fact 14:

PG&E correctly identifies and calculates its 2014 adjusted target with the exception of the inclusion of 2.52 MWs of biogas (does not include an eligible storage component),

⁶ Proposed Decision, OP 1(2), pp. 112-113.

⁷ Proposed Decision, p. 61.

⁸ Proposed Decision, CoL 2, p. 107. *Also see*, Proposed Decision, p. 60:

In this decision, we conclude that a qualifying storage component included with a dairy biogas project, as described by AECA and GPI, is eligible to be counted toward the targets. However, we find that the "natural gas pipeline" does not qualify as the storage component of a biogas project. If PG&E is unable to identify a suitable storage component in the contracted biogas projects, then PG&E cannot claim credit for these projects against the targets.

which does not comply with the Commission's interpretation of AB 2514 and Section 2835(a).²

Ordering Paragraph 1:

(2) Eligible technologies *include* V2G electric vehicle (EV) technologies, ~~biogas with eligible storage component of~~ biogas, eligible storage component of solar thermal ~~with thermal energy storage~~ (CSP-TES), eligible storage component of hybrid thermal generation ~~with thermal storage~~ (Hybrid-TES) but exclude V1G, and biogas (without eligible storage component);¹⁰

B. The Commission Should Modify the Proposed Decision to Standardize the Pre-Bidding Interconnection Requirements.

The Commission should reconsider its intent to permit the IOU to individually prescribe interconnection requirements. If the interconnection process is not consistent across the IOU territories, (i.e., Phase 1 studies must be completed by the time of final offer in SCE's Request for Offer (RFO) but not in PG&E's and SDG&E's RFOs) the competitive solicitation process would be biased. For example, potential bidders in SCE's RFO would be deterred from participating if they have not completed Phase 1 interconnection studies. A potential result is that SCE's RFO could be less competitive than either PG&E's or SDG&E's RFO and may result in the selection of higher priced resources.

Further, if there is any need for special interconnection requirements, those specific issues should be determined in the Commission's Rule 21 Rulemaking proceeding¹¹ where stakeholders are considering interconnection issues related to new technologies, including energy storage. To be consistent and thorough, the Commission should not allow the IOUs to institute their own energy storage interconnection

² Proposed Decision, Finding of Fact ("FoF") 14, p. 103.

¹⁰ Proposed Decision, OP 1(2), pp. 112-113.

¹¹ Rulemaking ("R.") 11-09-011, Order Instituting Rulemaking on the Commission's Own Motion to improve distribution level interconnection rules and regulations for certain classes of electric generation and electric storage resources.

requirements without Rule 21 stakeholder review and comment, or to institute standards that may unfairly prejudice or influence policy in a separate proceeding. The Rule 21 Rulemaking is the appropriate venue to consider interconnection matters.

IV. CONCLUSION

For the reasons stated above, ORA respectfully urges the Commission to adopt the recommendations made herein.

Respectfully submitted,

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